

*Non-official translation*

## **Guidelines for remuneration to the Electrolux Professional Group Management adopted at the 2024 Annual General Meeting**

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The Board of Directors of Electrolux Professional AB proposes that the 2024 Annual General Meeting decide on the following guidelines for remuneration and other terms of employment for the Electrolux Professional Group Management ("Group Management"). These guidelines replace the guidelines adopted by the Annual General Meeting in 2020. No changes are proposed to the current guidelines other than minor editorial changes.

The guidelines set forth herein shall apply to the remuneration and other terms of employment for the President and CEO and other members of the Group Management of Electrolux Professional. The Group Management currently comprises twelve executives.

The principles shall be applied to employment agreements entered into after the Annual General Meeting in 2024 and to changes made to existing employment agreements thereafter. The guidelines shall be in force until new guidelines are adopted by the General Meeting. These guidelines do not apply to any remuneration decided or approved by the General Meeting.

Remuneration for the President and CEO is resolved upon by Electrolux Professional AB's Board of Directors, based on the recommendation of the Remuneration Committee. Remuneration for other members of Group Management is resolved upon by the Remuneration Committee and reported to the Board of Directors. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the Group Management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the Company. The Board of Directors shall, based on the recommendation from the Remuneration Committee, prepare a proposal for new guidelines at least every fourth year and submit it to the Annual General Meeting. The President and CEO and other members of the Group Management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Electrolux Professional has a clear strategy to deliver profitable growth and create shareholder value. A prerequisite for the successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the Company is able to recruit and retain qualified personnel. To this end, it is necessary that the Company offers competitive remuneration in relation to the country or region of employment of each Group Management member. These guidelines enable the Company to offer the Group Management a competitive total remuneration. More information on the Company's strategy can be found on the Company's website and the most recent annual report.

The remuneration terms shall emphasize 'pay for performance' and vary with the performance of the individual and the Group. The total remuneration for the Group Management shall be in line with market practice and may comprise the following

components: fixed compensation, variable compensation, pension benefits and other benefits.

Employment contracts governed by rules other than Swedish may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

### **Fixed compensation**

The Annual Base Salary (“ABS”) shall be competitive relative to the relevant market and reflect the scope of the job responsibilities. Salary levels shall be reviewed periodically (usually annually) to ensure continued competitiveness and to recognize individual performance.

### **Variable compensation**

Variable compensation consists of both short-term and long-term incentives. Long-term incentives (“LTI program”) can be cash based or share -related. Share-related LTI programs are resolved upon by the General Meeting and are therefore excluded from these guidelines. Each year, the Board of Directors will evaluate whether or not an LTI program shall be adopted or, in case of a share-related LTI program, proposed to the General Meeting. LTI programs shall be distinctly linked to the business strategy and shall always be designed with the aim to further enhance the common interest of participating employees and Electrolux Professional shareholders of a good long-term development for Electrolux Professional.

Following the ‘pay for performance’ principle, variable compensation shall represent a significant portion of the total compensation opportunity for Group Management. Variable compensation shall always be measured against pre-defined targets and have a maximum above which no pay-out shall be made.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be determined by the Remuneration Committee when the measurement period has ended. For financial objectives, the evaluation shall be based on the annual financial result in accordance with the most recent interim report for the fourth quarter made public by the Company.

### ***Short Term Incentive (STI)***

Members of the Group Management shall participate in an STI plan under which they may receive variable compensation. The objectives in the STI plan shall be financial and the measurement period shall be one year. The objectives may consist of for example EBITA Growth and Net Sales Growth.

The maximum STI entitlements shall be dependent on job position and may amount to not more than 100 per cent of ABS.

### ***Cash based LTI programs***

Variable remuneration may also be paid as a part of cash based LTI programs. The objectives for cash based LTI programs shall be based on financial and sustainability KPIs and aim to measure the Company’s growth, profitability, and reduction of CO2 emissions. The objectives may consist of for example Earnings per Share and RONA. The

measurement period for the satisfaction of the objectives shall be one year, however, any pay-out under the program shall not be awarded until two years after the expiry of the measurement period provided that the conditions for pay-out are fulfilled. The pay-out, if any, shall be used by the participant to purchase shares in Electrolux Professional and the participant shall be required to hold such shares for a holding period of two years after the pay-out. The purpose of a cash based LTI program is thus for the participants to build up a shareholding in the Company in order to create a common ownership interest between the participants and the shareholders. Cash based LTI programs shall always be designed with the aim to further enhance the common interest of participating employees and Electrolux Professional shareholders of a good long-term development for Electrolux Professional.

The maximum LTI entitlements shall be dependent on job position and may amount to not more than 100 per cent of ABS.

### ***Extraordinary arrangements***

Additional variable compensation may be approved in extraordinary circumstances under the conditions that such extraordinary arrangement is made for recruitment or retention purposes, is agreed on an individual basis, does not exceed three (3) times the ABS and is earned and/or paid out in instalments over a minimum period of two (2) years. Such additional variable remuneration may also be paid on an individual level for extraordinary performance beyond the individual's ordinary tasks and shall in these situations not exceed 30 percent of the ABS and be paid in one instalment.

### ***Right to reclaim variable remuneration***

Terms and conditions for variable remuneration should be designed to enable the Board, under exceptional financial circumstances, to limit or cancel payments of variable remuneration provided that such action are deemed reasonable (malus). The Board shall also have the possibility, under applicable law or contractual provisions and subject to the restrictions that may apply under law or contract, to in whole or in part reclaim variable remuneration paid on incorrect grounds (claw-back).

### **Pension and Benefits**

Old age and survivor's pension, disability benefits and healthcare benefits shall be designed to reflect home country practices and requirements. When possible, pension plans shall be based on defined contribution. In individual cases, depending on provisions in collective agreements, tax and/or social security legislation to which the individual is subject, other schemes and mechanisms for pension benefits may be approved. For the Group Management the defined pension contributions shall not exceed 40 percent of the ABS unless the entitlement is higher under applicable collective agreements.

Other benefits, such as Company cars and housing, may be provided on an individual level or to the entire Group Management. Costs relating to such benefits may amount to not more than 20 per cent of the ABS. Members of the Group Management who are expatriates or relocated permanently to another country, may receive additional remuneration and other benefits to the extent reasonable in light of the special circumstances associated with the relocation arrangement. Such benefits shall be determined in line with the Group's Directive on International Assignments or applicable local relocation policy, and may for example include relocation costs, housing, tuition fees, home travel, tax support and tax equalization.

## **Notice of Termination and Severance Pay**

The notice period for the President and CEO shall be twelve months if Electrolux Professional takes the initiative to terminate the employment and six months if the President and CEO takes the initiative to terminate the employment. For other members of the Group Management the notice period shall be between six to twelve months if Electrolux Professional takes the initiative to terminate the employment and three to six months if the Group Management member takes the initiative to terminate the employment.

In individual cases, contractual severance pay may be approved in addition to the notice periods. Contractual severance pay may only be payable upon Electrolux Professional's termination of the employment arrangement or where a Group Management member gives notice as the result of an important change in the working situation, because of which he or she can no longer perform to standard. This may be the case in e.g. the event of a substantial change in ownership of Electrolux Professional in combination with a change in reporting line and/or job scope.

Contractual severance pay may for the individual include the continuation of the ABS for a period of up to twelve months following termination of the employment agreement; no other benefits shall be included. These payments shall be reduced with the equivalent value of any income that the individual earns during that period of up to twelve months from other sources of income, either from employment or from other business activities.

In addition to the above, compensation for any non-compete undertaking may be awarded. Such compensation shall be based on the ABS at the time of notice of termination of the employment, unless otherwise stipulated by mandatory collective agreement provisions, and be awarded over the period for which the non-compete clause applies, which should not exceed twelve months after termination of the employment.

## **Salary and employment conditions for employees**

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the Company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

## **Deviations from the guidelines**

The Board of Directors may temporarily resolve to deviate from the guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. The Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to deviate from the guidelines.